

April 15, 2016

R. Dexter Thomas
GIPSA, USDA
1400 Independence Avenue SW, Room 2530
Washington, DC 20250

VIA Federal eRulemaking Portal: <http://www.regulations.gov>

**RE: U.S. Services Offered for Grains Notice Comments: Document Number: 2016-00847
[81 FR 2838; January 19, 2016]**

Dear Mr. Thomas,

The Renewable Fuels Association (RFA) is pleased to submit comments in response to the Federal Register notice requesting information for services currently offered or needed to facilitate the marketing of grain and related products. To briefly summarize our position; at this time we do not believe there are any additional GIPSA services or actions that are necessary to facilitate efficient marketing and safe use of ethanol co-products.

Background

RFA is the leading national trade association for the domestic ethanol industry. Its mission is to advance the development, production, and use of fuel ethanol by strengthening America's ethanol industry and raising awareness about the benefits of renewable fuels. RFA's 300-plus members are working to help America become cleaner, safer, energy independent and economically secure.

The ethanol industry's enormous contribution to the global feed market often goes unnoticed. Roughly one-third of every 56-pound bushel of grain that enters the ethanol process is enhanced and returned to the animal feed market, most often in the form of distillers grains, corn gluten feed, and gluten meal. These co-products are fed to beef cattle, dairy cows, swine, poultry, and fish in nations around the world. In 2015, the industry produced an estimated 40 million metric tons (mmt) of feed, making the renewable fuels sector one of the largest animal feed processing segments in the United States. Today, more than 85% of dry mill ethanol plants also extract corn distiller's oil, a product that is sold into the feed market or used to produce biodiesel.

U.S. exports of distillers dried grains with solubles (DDGS) in 2015 set a new record of 12.56 mmt, up 11% from 2014 and more than double the amount exported in 2009. U.S. exports shipped to 45 countries last year, demonstrating the global reach.

Amongst the backdrop of exceptional growth since GIPSA first solicited stakeholder comments on marketing and standardization needs for ethanol co-products in 2007, we offer these responses to your questions.

1. Are there any market-identified quality attributes that GIPSA does not currently describe (or provide testing) that would facilitate the marketing of grain, oilseeds, and related products

With regard to ethanol co-products, there are no quality attributes or testing needs that require additional attention or action by GIPSA. Current testing, quality control/quality assurance, and marketing practices have worked effectively to facilitate safe and efficient trade and use of ethanol co-products. Existing practices, protocols, and industry norms have enabled production and use of distiller's grains and other ethanol co-products to grow from roughly 17 mmt in 2007 to nearly 40 mmt in 2015.

2. What role should GIPSA take, if any, in standardizing the testing of inputs and outputs of ethanol co-product processing? Has anything changed in the marketing of ethanol and ethanol co-products since GIPSA's last ANPR in 2007 related to standardization, product description, or quality assessment?

We do not currently see a role for GIPSA in the standardization of testing practices, development of marketing terms and product descriptions, or quality assessment practices. Existing forums have proven effective in developing voluntary methods and practices to enable the efficient trade and safe use of ethanol co-products.

RFA responded to GIPSA's 2007 Advanced Notice of Proposed Rulemaking (ANPR), and at that time we did not perceive a need for GIPSA to be involved in standardizing the testing of inputs and outputs of ethanol co-products. Nor did we feel there was a role for GIPSA regarding standardization of certain quality parameters for ethanol co-products. The reasoning behind our positions in 2007 have not changed.

As to the inputs, accepted GIPSA corn grading procedures and mycotoxin testing utilizing GIPSA-certified "quick tests" for mycotoxins are being utilized industry-wide. At this time we do not see a need for any further involvement for input standardization or testing.

Beginning in 2005 the American Feed Industry Association (AFIA), National Corn Growers Association (NCGA) and the RFA recognized a problem that different analytical test methods for the same analyte were generating very different results and co-sponsored a study to evaluate the analytical methods for testing of DDGS. The final report, published in February 2007, recommended the most applicable test methods for DDGS. Methods for determining the moisture, crude protein, crude fat, and crude fiber content of DDGS were selected because these factors are viewed as the key determinants of the market value of the product. The AFIA/NCGA/RFA recommended test methods were quickly adopted across the industry and today they are recognized as the generally accepted methods. RFA believes the widespread

voluntary adoption of these recommended test methods has reduced market confusion and added more structure to the marketplace.

Distillers Grain products are tested and labeled according to protocols developed by the Association of American Feed Control Officials (AAFCO), with significant input from the U.S. Food & Drug Administration (FDA). The ingredient definitions for ethanol co-products are somewhat broad, yet have proven suitable for the industry. Purchasers of distillers grains may also require additional information about certain nutritional or physical qualities that would be part of a private contract with the seller. There is a concern within the industry that actions by GIPSA to regulate or standardize the components of distiller's grains would impede the market's ability to function efficiently by limiting the ability of private industry to produce and market specialty distillers grains products specifically designed to meet the buyer's nutritional needs.

Additionally, new distillers grains products are being introduced into the marketplace as the result of new and emerging ethanol process technologies. The existing AAFCO definitions will likely be suitable for these new products, while any new, more prescribed definitions put forth by GIPSA may unintentionally exclude these new products.

3. Are there any other services that GIPSA could offer to facilitate the marketing of grain, oilseeds, or related products?

With regard to ethanol co-products, we do not believe there are any other GIPSA services or actions that are necessary to facilitate efficient marketing and safe use. We recognize and appreciate GIPSA's important role in grain inspection and weighing and we support the agency's larger mission of promoting fair and competitive trading practices. However, at this time, we do not see a need for any additional GIPSA services in the marketplace for ethanol co-products.

* * * * *In conclusion, RFA believes both the domestic and international markets for distillers grains are functioning appropriately and efficiently, and any trade issues are being addressed proactively in a timely manner by the industry.. RFA does not see a need for GIPSA to increase its involvement in issues related to standardizing the testing of inputs and outputs of ethanol co-product processing or marketing of ethanol co-products.

With over 50 years of successful marketing and feeding, ethanol co-products have a long history of being recognized as a highly nutritious animal feed ingredient and have consistently shown to be a safe and beneficial source of protein and energy. Thank you for the opportunity to comment. If you have questions regarding the contents of this letter, please contact Kelly Davis at kdavis@ethanolrfa.org

Respectfully submitted,



Bob Dinneen
President & CEO